



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 16, 2006

Douglas A. Smith
GM & S, LLC
2480 West 500 North
Delta, Utah 84624

Subject: Fee Required for Notice of Intention to Commence Small Mining, High Desert Mine, M0270110, Millard County, Utah

Dear Mr. Smith:

On August 14, 2006, we received your Notice to commence mining for your High Desert Mine. File number M0270110 has been assigned for this Small Mining Operation (SMO).

Before we can continue with the review of your SMO notice, we require an initial permit fee of \$150.00. Which is due annually thereafter on the Division's fiscal year (July 1-June 30) until the project is released.

Please submit the \$150.00 fee within the next 10 days or by August 28, 2006, before we continue our review of this notice. A billing statement is attached for this purpose. Failure to provide the fee within the specified timeframe will result in the Division denying your application, which will then be returned to you.

Please be advised that **no mining or exploration activity is authorized until you have received written acceptance from this office as well as from the BLM.**

If you have any questions regarding this letter, please contact me at (801) 538-5291 or Tom Munson at 538-5321.

Sincerely,

Penny Berry
Minerals Secretary

Attachment: Billing Statement
P:\GROUPS\MINERALS\WPM027-Millard\S0270110 High Desert\final\fee -initial-needed-EorS.doc